

ORGANIZED DELIVERY SYSTEM

LICENSURE, EXEMPTION FROM LICENSURE AND CERTIFICATION PRELIMINARY APPLICATION

INSTRUCTIONS

This package includes a checklist of documents to be submitted by an organized delivery system that assumes financial risk and seeks licensure, exemption from licensure or certification pursuant to N.J.S.A. 17:48H-11. Note: For purposes of completing this application, a financial risk shall exist if, under an agreement between the applicant and the carrier, the financial obligations of the applicant for payment of benefits or for providing treatment or services does or potentially may exceed any payments (capitation or otherwise) that may be received from the carrier. Financial obligation shall include the attendant administrative costs related to providing the treatment or services.

The law recognizes that the financial risk of an organized delivery system may be de minimis and includes a provision for granting an exemption from licensure requirements. As such, the application asks the applicant to specify whether it seeks licensure or expects to file for exemption. Where exemption is requested, the applicant should complete the application including an explanation as to how the exposure to financial loss is limited in amount or likelihood. Adopted rules will identify the factors to be considered in determining whether the financial risk of an organized delivery system is de minimis.

The checklist of required documents is divided into three sections:

Part A - the Application Cover Sheet,
organizational information and
standard forms of contracts;

Part B - financial information;

Part C – quality of care information,
attestation that no financial risk is assumed (for certified ODS).

Additional information may be required for review by the Commissioner of Banking and Insurance or the Commissioner of Health and Senior Services as deemed necessary in the course of our review.

Any questions regarding the requirements of Part A or Part B should be directed to the Department of Banking and Insurance:

Tim Costello
Phone: (609) 292-5427 ext. 50313
Fax No: (609) 633-0527
e-mail: tcostello@dob.state.nj.us

Any questions regarding Part C should be directed to the Department of Health and Senior Services:

Holly Gaenzle
Office of Managed Care
Phone: (609) 633-0660
Fax No: (609) 633-0807
e-mail: hgaenzle@doh.state.nj.us

Pursuant to N.J.S.A. 17:48H-35, documents provided by the applicant that are deemed by the Commissioner of Banking and Insurance and the Commissioner of Health and Senior Services to be proprietary shall be confidential and shall not be considered public documents. The applicant is asked to identify those documents submitted with the application that it believes to be proprietary in nature by marking them confidential. Rules adopted by the Department will specify the documents to be kept confidential.

When preparing your response, please number each item to correspond with the section and the number of the item on the checklist.

IF APPLYING FOR LICENSURE OR EXEMPTION FROM LICENSURE, SUBMIT TWO (2) COPIES OF YOUR APPLICATION (PARTS A, B AND C) TO:

New Jersey Department of Banking and Insurance
Office of Life and Health
Attn: Tim Costello
Organized Delivery System License
20 West State St.
P.O. Box 325
Trenton, NJ 08625-0325

A copy will be forwarded to the Department of Health and Senior Services.

IF APPLYING FOR CERTIFICATION, SUBMIT A COPY OF PART A AND PART C TO:

New Jersey Department of Health and Senior Services
Office of Managed Care
Attn: Holly Gaenzle
Organized Delivery System Certification
P.O. Box 360
Trenton, NJ 08625-0360

ORGANIZED DELIVERY SYSTEM
LICENSURE, EXEMPTION FROM LICENSURE
AND CERTIFICATION
PRELIMINARY APPLICATION
CHECKLIST OF DOCUMENTS REQUIRED
ALL APPLICANTS

PART A

ORGANIZED DELIVERY SYSTEM

LICENSURE, EXEMPTION FROM LICENSURE AND CERTIFICATION PRELIMINARY APPLICATION

CHECKLIST OF DOCUMENTS REQUIRED

PART A

1. The completed Application Cover Sheet (form enclosed).
2. The completed Irrevocable Consent to Jurisdiction of the Commissioner and New Jersey Courts (form enclosed).
3. The completed Appointment of Attorney for the State of New Jersey appointing the Commissioner of Banking and Insurance (if applying for licensure or exemption from licensure) or the Commissioner of Health and Senior Services (if applying for certification) as attorney for service of process (form enclosed).
4. A copy of the applicant organization's basic organization documents which shall include but not be limited to, articles of incorporation, articles of association, partnership agreement, management agreement, trust agreement or other applicable documents as appropriate to the applicant's form of business entity and all amendments to those documents.
5. A copy of the executed bylaws, rules and regulations, or similar documents, regulating the conduct of the applicant's internal affairs.
6. Biographical Affidavits of the persons who are to be responsible for the conduct of the affairs of the applicant. (form enclosed) This shall include but not be limited to:
 - a) members of the board of directors, executive committee or other governing board or committee, the principal officers, medical director, if applicable, and any person or entity owning or having the right to acquire 10 percent or more of the voting securities of the applicant;
 - b) In the case of a partnership or association, the names of the partners or members;
 - c) Each person who has loaned funds to the applicant for the operation of its business; and
 - d) A statement of any criminal convictions or civil, enforcement or regulatory action, including actions relating to professional licenses, taken against any person who is a member of the board, the executive committee or other governing board or committee or the principal officers, or the person who is responsible for the conduct of the affairs of the applicant.
7. A business plan consisting of:
 - a) An organizational chart;
 - b) A statement generally describing the applicant, its facilities, personnel, and the health care services to be offered by the organized delivery system;
 - c) A list of the geographical areas in which the services are to be performed and approximate numbers of providers who will provide the services;
 - d) A description of any administrative services for which the applicant will be responsible;
 - e) A list of any affiliate of the applicant that provides services to the applicant in this State and a description of any material transaction between the affiliate and the applicant;
 - f) A description of any arrangements between the applicant and any other organized delivery system or subcontractor for services associated with the provision of health care services;

- g) A description of any reinsurance or stop loss arrangements;
 - h) A plan, in the event of insolvency of the organized delivery system, for continuation of the health care services to be provided for under the contracts;
 - i) A description of the means by which the organized delivery system will be compensated under contracts with carriers;
 - j) A description of the arrangement for the applicant's reporting of data to the carriers and a description of the carriers' oversight responsibilities.
8. A copy of the standard form of any provider agreement made or to be made between the applicant and any providers relative to the provision of health care services.
9. A copy of the form of any contract between the applicant and any other ODS or subcontractor for services associated with the provision of health care services.
10. A copy of the form of any contract made or to be made between the applicant and any carrier for the provision of or arrangement to provide health care services, which contract shall contain provisions establishing the respective duties of the carrier and the applicant with respect to compliance with N.J.S.A. 26:2S-1 et seq.
11. A list of all administrative, civil or criminal actions and proceedings to which the applicant, or any of its affiliates, or persons who are responsible for the conduct of the affairs of the applicant or affiliate, have been subject and the resolution of those actions and proceedings. If a license, certificate or other authority to operate has been refused, suspended or revoked by any jurisdiction, the applicant shall provide a copy of any orders, proceedings and determinations relating thereto.
12. A list of all states in which the applicant has been or currently is doing business as described in the application.

ORGANIZED DELIVERY SYSTEM

LICENSURE, EXEMPTION FROM LICENSURE AND CERTIFICATION

APPLICATION COVER SHEET

1. Type of Application: Licensure _____ Exemption _____ Certification _____
If seeking exemption, explain why exemption is appropriate _____

2. Name of Applicant _____
3. Physical Address of Applicant

4. Mailing Address

5. Organizational Information
_____ Individual _____ Corporation _____ Trust
_____ Sole Proprietor _____ Partnership _____ Other
6. Provide a brief description of the services that the applicant will be providing:

7. City and State of Incorporation (if appl.) City _____ State _____
8. Federal Employer Identification number or _____ - _____
Social Security Number _____ - _____ - _____
9. Contact Person _____

10. Phone Number () _____
11. Toll Free Number () _____
12. Fax Number () _____
13. E-Mail Address _____
14. Resident Status _____ Resident of New Jersey
County in which Home Office is located for NJ
Residents
_____ Non-Resident of New Jersey

Certification

I _____
(Name and Title) certify that I am authorized to file this certification on behalf of the
applicant, the information set forth in the enclosed application and herein is true to the best of
information, knowledge and belief, and that the Department of Banking and Insurance and
Department of Health and Senior Services may rely on the information set forth in the application
and herein in determining whether to grant a license pursuant to N.J.S.A. 17:48H-1 et seq.

I further certify that _____
(Name and Title) is familiar and will comply with the
requirements set forth in N.J.S.A. 17:48H-1 et seq. and N.J.A.C. 11:22-3.

Signature of Applicant

Full Legal Name (Type or Print)

Title

Date

(To be completed by all applicants)

KNOW ALL MEN BY THESE PRESENTS:

}

(name of applicant)

(domiciliary city and state)

upon issuance of said certificate by the Commissioner of Health and Senior Services ;

(name of applicant)

(insert appropriate Commissioner)

relation to any transactions or other activity subject to regulation under N.J.S.A. 17B:48H-1 et seq. and all other applicable New Jersey statutes or rules; and

irrevocable for as long as

(name of applicant)

Witness our hands and the impress of the seal of said applicant, this _____
day of _____, 20_____.

(Corporate Seal--if applicable)

President
(or authorized representative)

(Print or Type Name)

Attest:

Secretary
(or authorized representative)

(Print or Type Name)

**Appointment of Attorney for the State of New Jersey
(To be Completed by Applicants for Licensure)**

KNOW ALL MEN BY THESE PRESENTS: That the _____ of the _____ of _____ in the _____ of _____, desiring to do business in the State of New Jersey in conformity with the laws thereof, hereby, constitutes and appoints the Commissioner of Banking and Insurance of New Jersey, and his or her successor in office, to be its true and lawful Attorney, upon whom all original process in any action or legal proceeding against said _____ may be served. And the said _____ hereby stipulates and agrees that any original process against it, which is served upon said Attorney, shall be of the same legal force and validity as if served upon said _____, and that the authority of said Attorney shall continue in force irrevocable so long as any liability of said _____ remains outstanding in New Jersey.

IN WITNESS WHEREOF, the said _____ has caused these presents to be subscribed by its President, and attested by its Secretary, and its corporate seal to be hereunto affixed, this _____ day of _____ 20_____.

(Corporate Seal--if applicable)

President
(or authorized representative)

(Print or Type Name)

Attest:

Secretary
(or authorized representative)

(Print or Type Name)

**Appointment of Attorney for the State of New Jersey
(To be Completed by Applicants for Certification)**

KNOW ALL MEN BY THESE PRESENTS: That the _____ -
of the _____ of _____ in the
_____ of _____, desiring to do
business in the State of New Jersey in conformity with the laws thereof, hereby, constitutes and
appoints the Commissioner of Health and Senior Services of New Jersey, and his or her
successor in office, to be its true and lawful Attorney, upon whom all original process in any
action or legal proceeding against said _____ may be
served. And the said _____ hereby stipulates and agrees that
any original process against it, which is served upon said Attorney, shall be of the same legal
force and validity as if served upon said _____,
and that the authority of said Attorney shall continue in force irrevocable so long as any liability of
said _____ remains outstanding in New Jersey.
IN WITNESS WHEREOF, the said _____ has caused
these presents to be subscribed by its President, and attested by its Secretary, and its corporate
seal to be hereunto affixed, this _____ day of _____ 20_____.

(Corporate Seal--if applicable)

President
(or authorized representative)

(Print or Type Name)

Attest:

Secretary
(or authorized representative)

(Print or
Type Name)

BIOGRAPHICAL AFFIDAVIT
(To be Completed by All Applicants)
(Print or Type)

Full Name and Address of Applicant (Do not use Group Names). _____

In connection with the above-named applicant, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS 'NO' OR 'NONE', SO STATE.

1. Affiant's Full Name* (Initials not acceptable). _____

2. Have you ever had your name changed? _____ If yes, give the reason for the change. _____

a) Other names used at any time. _____

3. Affiant's Social Security Number*. _____

4. Date and place of birth. _____

5. Affiant's business address. _____
Business telephone. _____

6. List your residences for the last ten (10) years starting with your current address, giving*:

DATE	ADDRESS	CITY and STATE
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_____	_____	_____
_____	_____	_____

* These items may be submitted on a separate form to maintain confidentiality.
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7. Education: dates, names, locations and degrees.

a) College. _____

b) Graduate Studies. _____

c) Others. _____

8. List of memberships in professional societies and associations. _____

9. Present or proposed position with the applicant. _____

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years, giving:

DATE	EMPLOYER and ADDRESS	TITLE
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

11. Present employer may be contacted. _____ Yes _____ No

Former employers may be contacted. _____ Yes _____ No

12. Have you ever been in a position that required a fidelity bond? _____ If any claims were made on the bond, give details. _____

a) Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked? _____ If yes, give details. _____

13. List any professional, occupational and vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past (state date license issued, issuer of license, date terminated, reasons for termination).

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has any such license held by you ever been suspended or revoked? _____ If yes, give details. _____

15. List any insurers, prepaid dental plans, health service corporations or health maintenance organizations, in which you control directly or indirectly or own legally or beneficially 10% or more of the outstanding stock (in voting power). _____

If any of the stock is pledged or hypothecated in any way, give details. _____

16. Will you or members of your immediate family subscribe to or own, beneficially or of record, shares of stock of the applicant-organized delivery system or its affiliates? _____. If any of the shares or stock are pledged or hypothecated in any way, give details. _____

17. Have you ever been adjudged a bankrupt? _____

18. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or *nolo contendere* to an information or indictment, charging any felony, or charging a misdemeanor involving embezzlement, theft, larceny or mail fraud, or charging a violation of any corporate securities statute or any insurance law, or have you been a subject of any

disciplinary proceedings of any federal or state regulatory agency? _____ If yes, give details. _____

a) Has any company been so charged, allegedly as a result of any action or conduct on your part? _____ If yes, give details. _____

19. Have you ever been an officer, director, trustee, investment committee member, key employee or controlling stockholder of any insurer, prepaid dental plans, health service corporations or health maintenance organizations, which, while you occupied such a position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? _____

20. Has the certificate of authority or license to do business of any insurer, prepaid dental plans, health service corporations or health maintenance organizations, of which you were an officer or director or key management person ever been suspended or revoked while you occupied such position? _____ If yes, give details. _____

Dated and signed this _____ day of _____ at _____. I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to be best of my knowledge and belief.

(Signature of Affiant)

State of _____

County of _____

Personally appeared before me the above named _____ personally known to me, who, being duly sworn, deposes and says that he executed the above instrument and that the statements and answers contained therein are true and correct to the best of his knowledge and belief.

Subscribed and sworn to before me this _____ of _____ 20____.

(Notary Public)

My Commission Expires _____

ORGANIZED DELIVERY SYSTEM

**LICENSURE, EXEMPTION FROM LICENSURE AND
CERTIFICATION**

PRELIMINARY APPLICATION

CHECKLIST OF DOCUMENTS REQUIRED

**APPLICANTS FOR LICENSURE
AND EXEMPTION FROM LICENSURE ONLY**

PART B

ORGANIZED DELIVERY SYSTEM

LICENSURE AND EXEMPTION FROM LICENSURE PRELIMINARY APPLICATION

CHECKLIST OF DOCUMENTS REQUIRED Applicants for Licensure AND Exemption from Licensure Only

PART B

1. A copy of the applicant's most recent financial statements audited by an independent certified public accountant. If the financial affairs of the applicant's parent company are audited by an independent certified public accountant, but those of the applicant are not, then a copy of the most recent audited financial statement of the applicant's parent company, audited by an independent certified public accountant, shall be submitted. A consolidated financial statement of the applicant and its parent company shall satisfy this requirement unless the Commissioner determines that additional or more recent financial information is required.
2. A copy of the applicant's financial plan, including:
 - a) A three-year projection of anticipated operating results, on a statutory basis in accordance with the NAIC Accounting Practices and Procedures Manual (or for one year beyond the anticipated "break-even" year). The projections shall be on a quarterly basis for the first year, and on an annual basis for the subsequent years;
 - b) A description of the assumptions used in the projections that shall include an explanation of each line item;
 - c) A statement of the sources of working capital and any other sources of funding and provisions for contingencies.
3. A copy of each reinsurance or stop loss contract.

**ORGANIZED DELIVERY SYSTEM
LICENSURE, EXEMPTION FROM LICENSURE AND
CERTIFICATION**

PRELIMINARY APPLICATION

CHECKLIST OF DOCUMENTS REQUIRED

ALL APPLICANTS

PART C

ORGANIZED DELIVERY SYSTEM

LICENSURE, EXEMPTION FROM LICENSURE AND CERTIFICATION PRELIMINARY APPLICATION

CHECKLIST OF DOCUMENTS REQUIRED ALL APPLICANTS

PART C

1. With respect to each contract made or to be made between the applicant and any other person who will provide comprehensive or limited health care services:
 - a) A list of all participating providers by county, municipality and zip code, accompanied by maps of the service area identifying the location of these providers by address. This list shall include the names of all health care professionals, physicians (by specialty and with hospital affiliation, if applicable), hospitals, health care facilities, and ancillary providers to provide health care services, including affiliates as listed in "c" below (the persons who are to provide the health care services, and the geographical area in which they are located and in which the services are to be performed);
 - b) The criteria regarding geographic accessibility and availability of the health care provider network as related to the carrier's enrollment projections and the criteria to be used to maintain the appropriate numbers and types of providers as enrollment increases;
 - c) A list of any affiliate of the applicant that provides services to the applicant in this State and a description of any material transaction between the affiliate and the applicant;
 - d) A detailed description of all health care services and/or benefits to be offered or proposed to be offered and a detailed description of all administrative services for which the applicant will be responsible;
 - e) A description of the complaint and appeal procedures as delineated in N.J.A.C. 8:38A-4.6, if applicable;
 - f) A description of the continuous quality improvement program as delineated in N.J.A.C. 8:38A-3.8, if applicable;
 - g) A description of the utilization management program, including the process for appealing utilization management determinations as delineated in N.J.A.C. 8:38A-3.4 – 3.7, 4.11 and 4.12, if applicable;
 - h) A description of the provider credentialing program as delineated in N.J.A.C. 8:38A-4.5;
 - i) A description of the arrangement for the applicant's reporting of data to the carrier and a description of the arrangement for the carrier's oversight responsibilities;
 - j) A description of the method by which enrollees and providers will be informed of changes in the health care delivery system and/or network, if applicable;
 - k) A plan, in the event of the insolvency of the organized delivery system, for continuation of the health care services to be provided for under the contract; and
 - l) A description of the means by which the organized delivery system shall be compensated for each contract entered into with a carrier.
2. Applicants for certification only: An explanation of how the providers are compensated.
3. Applicants for certification only: An affidavit signed by an officer of the applicant stating that the applicant shall not accept a transfer of financial risk from any carrier (form enclosed).

**FINANCIAL RISK AFFIDAVIT
(FOR CERTIFICATION ONLY)
(Print or Type)**

I, _____
(Name of Officer) (Title)

an officer of _____
(Name of Applicant) being duly authorized to

provide this affidavit on behalf of _____,
(Name of Applicant) do

hereby attest and affirm that _____,
(Name of Applicant) does not

engage in the acceptance of the transfer of financial risk from any carrier as defined by
N.J.S.A. 17:48H-1 et. seq., and rules promulgated pursuant to and shall not accept a transfer
of financial risk from any carrier until such time as _____
(Name of Applicant)

becomes licensed by the New Jersey Department of Banking and Insurance. Further, I attest
and affirm that the compensation arrangement(s) set forth in this application do not constitute
the transfer of financial risk.

Dated and signed this _____ day of _____ 20____ at _____. I hereby
certify under penalty of perjury that I am acting on my own behalf, and that the foregoing
statements are true and correct to the best of my knowledge and belief.

(Signature of Affiant)

State of _____

County of _____

Personally appeared before me the above named _____ personally
known to me, who, being duly sworn, deposes and says that he executed the above
instrument and that the statements and answers contained therein are true and correct to the
best of his knowledge and belief.

Subscribed and sworn to before me this _____ of _____ 20____.

(Notary Public)

My Commission Expires _____

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